



Universal Service Administrative Company

Schools and Libraries Division



FUNDING COMMITMENT DECISION LETTER
(Funding Year 2012: 07/01/2012 - 06/30/2013)

March 12, 2013

Sandi Pangallo
Digital Networks Group, Inc.
100 Columbia, Suite 100
Aliso Viejo, CA 92656

Re: Service Provider Name: Digital Networks Group, Inc.
Service Provider Identification Number: 143027091

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2012. This letter is your notification of our decision(s) regarding application funding requests that listed your company's Service Provider Identification Number (SPIN).

NEXT STEPS

- File Form 498, Service Provider Information Form, if appropriate
- File Form 473, Service Provider Annual Certification Form (SPAC), for the above Funding Year
- Work with your customer to provide appropriate invoicing to USAC: Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the FCC.

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
 - Appellant name,
 - Applicant or service provider name, if different from appellant,
 - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
 - Form 471 Application Number as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2012," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal.

Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

Be sure to keep a copy of your entire appeal, including any correspondence and documentation.

4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
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FUNDING COMMITMENT REPORT
Service Provider Name: Digital Networks Group, Inc.
SPIN: 143027091
Funding Year: 2012

Name of Billed Entity: VAL VERDE UNIFIED SCHOOL DIST
Billed Entity Address: 975 W MORGAN ST
Billed Entity City: PERRIS
Billed Entity State: CA
Billed Entity Zip Code: 92571-3103
Billed Entity Number: 143757
Contact Person's Name: Cathy Benham
Preferred Mode of Contact: EMAIL
Contact Information: cbenham@csmccentral.com
Form 471 Application Number: 865559
Funding Request Number: 2358480
Funding Status: Not Funded
Category of Service: Internal Connections
Form 470 Application Number: 303230000930781
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2012
Contract Expiration Date: 09/30/2015
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-Discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$656,779.35
Pre-Discount Amount: \$656,779.35
Applicant's Discount Percentage Approved by SLD: 90%
Funding Commitment Decision: \$.00 - Ineligible Services/Products
Funding Commitment Decision Explanation: Thirty percent or more of this ERN includes a request for Extron PoleVault System PVS 200IP/associated costs, which is an ineligible product based on Program rules.

FCDL Date: 03/12/2013

Wave Number: 034

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2014

Consultant Name: Cathy Benham
Consultant Number (CRN): 16043564
Consultant Employer: CSM, Inc.